

ADS Chapter 313 - Eligibility of Suppliers and Contractors

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Functional Series 300: Acquisition & Assistance
ADS Chapter 313 - Eligibility of Suppliers and Contractors

313.1 Authority

1. [Sections 620\(a\) and 620\(f\) of the Foreign Assistance Act of 1961, as amended \(FAA\).](#)
2. U.S. Treasury Department Foreign Assets, Sanctions, Transactions, and Funds Control Regulations, as amended, [31 CFR Parts 500-599](#).
3. [Executive Order 12549](#), "Debarment and Suspension," February 18, 1986 (51 FR 63272-79 dated 2/21/86).
4. Export Administration Act of 1969 and 1979, as amended.

313.2 Objective

1. To implement the Treasury Department's Foreign Assets, Sanctions, Transactions, and Funds Control Regulations by precluding ineligible countries and nationals of those countries from being sources of goods or services under USAID financing, or recipients of USAID assistance.
2. To protect the integrity of USAID programs and assure prudent use of funds through the exclusion of certain suppliers and contractors from USAID-financed transactions by means of the suspension/debarment procedure.
3. To oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States or against any United States person.

313.3 Responsibility

1. Suspension/Debarment - It is the responsibility of all Offices, Bureaus, overseas contracting or commodity management officers, or any other USAID officer to report to the Office of the Inspector General (IG) all cases where there is a reason to believe that an individual or organization should be declared ineligible to receive government funds.
2. The Deputy Assistant Administrator for Management (DAA/M) is responsible for determining whether debarment or suspension is in the Government's interest.
3. Contracting/Grant Officers are responsible for assuring that awards are not made to parties that are suspended or debarred unless authorized in accordance with the exception procedures in the applicable regulations.

313.4 Definitions (See [ADS GLOSSARY](#))

debarment
deciding official
Lists of Parties Excluded from Federal Procurement or
Nonprocurement Programs
restrictive trade practices and boycotts
suspension

313.5 POLICY

The statements contained within the .5 section of this ADS chapter are the official Agency policies and corresponding essential procedures.

313.5.1 FOREIGN ASSETS CONTROL

USAID shall not finance or participate in any transaction that is prohibited by the U.S. Treasury Department Foreign Assets, Sanctions, Transactions, and Funds Control Regulations. These regulations apply to the following countries and their nationals:

Cuba, Iran, Iraq, Libya, North Korea, and Sudan

plus additional listings on the "Consolidated List of Designated Nationals" published by the U.S. Treasury Department.

313.5.2 SUSPENSION AND DEBARMENT

USAID shall assure prudent use of its funds by excluding suppliers and contractors from USAID-financed transactions through the suspension/debarment procedure. The serious nature of debarment and suspension requires that these sanctions be imposed only in the public interest for the Government's protection and not for purposes of punishment.

313.5.2a REGULATIONS

USAID shall follow the regulations in 22 CFR Part 208 for all suspension and debarment actions. (See [22 CFR 208](#))

313.5.2b AWARDS TO SUSPENDED OR DEBARRED CONTRACTORS/SUPPLIERS

USAID shall not make awards to contractors, individuals, or entities listed in "Parties Excluded from Federal Procurement or Nonprocurement

Programs" unless the requirements for exceptions, as specified in 22 CFR 208.215, are met. (See [22 CFR 208](#))

313.5.3 BOYCOTTS AND RESTRICTIVE TRADE PRACTICES

In accordance with Section 3(5)(A) of the Export Administration Act of 1979, as amended, USAID shall "oppose restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries friendly to the United States or against any United States person."

313.6 Supplementary References - N/A

313.7 Mandatory References

[AID Regulation 8 \(22 CFR 208\)](#)

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